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RUEHIL/AMEMBASSY ISLAMABAD 1685
RUEHBUL/AMEMBASSY KABUL 0421
RUEHKT/AMEMBASSY KATHMANDU 0037
RUEHNE/AMEMBASSY NEW DELHI 0487
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RHEHNSC/NSC WASHDC
RUCPDOG/DEPT OF COMMERCE WASHDC
RHEBAAA/DEPT OF ENERGY WASHDC

C O N F I D E N T I A L SECTION 01 OF 03 ASHGABAT 001054

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DEPT FOR SCA/CEN (PERRY)

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TAGS: [EPET](#) [ECON](#) [PREL](#) [TX](#)

SUBJECT: ARE TURKMENISTAN'S AMU DARYA RIGHT BANK OIL AND
GAS RESERVES GOING UP IN FLAMES?

REF: A. A) 04 TASHKENT 2993

[1](#)B. B) ASHGABAT 1044

[1](#)C. C) ASHGABAT 1011

[1](#)D. D) ASHGABAT 957

Classified By: ADCM Heather Troutman for Reasons 1.4 (B) and (D)

Summary

[1](#)1. (C) The Yashyldepe Oil and Gas Development Organization (YOGDO) took operational control of Turkmenistan's portion of the Yashyldepe oil and natural gas field from Uzbekistan in [1](#)2005. YOGDO officials ascribe the flaring of oil and gas by Uzbekistan across the border as spiteful retribution for the change in field control, and also blame Uzbek actions for the significant decrease in field strength. A network of pipelines is planned to link a liquefied natural gas unit currently under construction to distribution facilities on Turkmenistan's side of the border. Turkmenistan's pledges to feed a Chinese natural gas pipeline by 2009 with 30 billion cubic meters from Amu Darya right bank reserves seem unlikely without tapping into larger fields elsewhere in Turkmenistan.
End summary.

Parting Ways on the Right Bank

[1](#)2. (SBU) During a September 29 visit to the right bank of the Amu Darya River, embassy personnel met representatives of the Yashyldepe Oil and Gas Development Organization (YOGDO) and subsequently toured the Yashyldepe field along the Uzbek border. Turkmenistan Ministry of Foreign Affairs (MFA) and National Security representatives accompanied embassy during the visit.

[1](#)3. (SBU) YOGDO chief Toydurdy Durdyev told embassy that Uzbekistan developed the Yashyldepe field in the 1990s. Uzbek personnel, he explained, built all water, natural gas processing and related field infrastructure and operated the field through facilities mostly located on the Uzbek side of the border until May 2005. According to Durdyev, President Niyazov established the YOGDO and simultaneously transferred Turkmenistan's Yashyldepe wells to the YOGDO in November

¶2004. (Note: The Yashyldepe field is also called Kokdumalak on the Uzbek side of the border. Reftel A provides some additional context. End Note.) The YOGDO began operating 15 of the 36 wells in November 2005.

This Land Was Not Made for You and Me

¶4. (SBU) The May 2005 ejection of the Uzbeks from Turkmenistan's portion of the Yashyldepe field has not, in Durdyev's view, prevented the Uzbeks from depleting Turkmenistan's oil and gas reserves. "This is not a conclusion," Durdyev added, "this must be the case." "Why else," he reasoned, "would the natural gas field strength have decreased so much?" As "proof," Durdyev cited a decrease in natural gas pressure from 530 atmospheres to the current range of 150-170 atmospheres. "When you visit the field," he cautioned embassy, "don't be alarmed by all of the fires. We don't know why the Uzbeks are burning everything." Durdyev intimated that the Uzbeks were drawing down and burning oil and gas from the shared field to spite Turkmenistan. He noted that local crude oil has a high sulfur content, which combined with prevailing wind patterns, meant that the Uzbeks were polluting Turkmenistan. Durdyev added that the Uzbeks had adopted a similar strategy at the Samandepe field north of Yashyldepe.

¶5. (SBU) As embassy officer approached the Yashyldepe field, located two hours' drive southeast of Turkmenabat, about 20 flares, nearly a third of which burned smoky oil, heralded our arrival. All but two of the flares were on the Uzbek side of the border. (Note: Our on-site guide estimated the two Turkmen natural gas flares burn 30,000 cubic meters daily. End Note.) Contrary to assurances by our MFA minder

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that border disagreements in the Yashyldepe region had been settled, personnel working the field claimed that the Uzbeks had seized two Turkmen wells by moving the fence demarcating the border. Watchtowers and edgy border guards underscored tensions local personnel described in the area.

Starting from Scratch

¶6. (SBU) Within site of the Uzbek storage tank farm, natural gas compressor station, oil treatment facilities and other infrastructure across the border, a Turkish firm has begun laying the foundations for a combined desulfurization and liquefied natural gas (LNG) unit to be built by the Canadian firm Thermo Design on Turkmenistan's side of the field. Durdyev confirmed that the YOGDO is still waiting for new pipes to connect Yashyldepe to a terminal facility at the Amu Darya river town of Palvart. Given Yashyldepe's daily crude oil production of 1,500 tons, a small diameter pipeline currently transports Yashyldepe's crude oil from the on-site 10,000-ton storage facility to the Palvart rail terminal. (Note: Palvart also has a crude oil storage capacity of 10,000 tons. Yashyldepe crude oil loaded at Palvart supplies roughly half of the Seydi refinery's feeder stock. Reftel B discussed the Seydi facility. End Note.)

Wishing Well

¶7. (SBU) In addition to 15 oil and condensate wells, the YOGDO operates two natural gas wells to fuel field operations. As previous operations steered natural gas production to the Uzbek side of the border, the remaining 19 (mostly natural gas) wells lack links to infrastructure on Turkmenistan's side of the border. As a result, these wells remain idle. Durdyev noted that the natural gas wells require substantial work, but anticipated recommissioning them once infrastructure work is completed.

¶8. (SBU) Although commentators at Ashgabat's late September

oil and gas conference (reftel C) predicted annual Amu Darya right bank natural gas production of 30 billion cubic meters (bcm), Durdyev refused to estimate the size of Amu Darya right bank natural gas reserves. However, he admitted having only limited drilling and surveying data from the Yashyldepe field. When asked about regional survey data compiled by Exxon Mobil during the 1990s, Durdyev speculated that the data might be in Tashkent or Ashgabat.

The Chinese Are Coming?

19. (SBU) Amidst plans to construct a pipeline to transport 30 bcm of Amu Darya right bank natural gas to China annually starting in 2009, embassy asked Durdyev to outline his understanding of Chinese activities in the area. Durdyev expressed ignorance of the issue, and suggested that the Chinese might be in contact with one of the two research institutes affiliated with the Ministry of Oil and Gas. Embassy observed no evidence of a Chinese presence on the right bank of the Amu Darya during this visit, but did not have time to survey the entire area.

Comment

110. (C) Although there may be geological explanations for decreased Yashyldepe field pressure, YOGDO personnel seem convinced that the Uzbeks are to blame. Embassy understands that disagreements over the sharing of field production may have precipitated the May 2005 ejection of the Uzbeks from Turkmenistan's side of the field. Given the size of Uzbek operations across the border and the amount of flaring observed, it is feasible that the Uzbeks are pushing ahead full throttle in developing the field regardless of any objections from Turkmenistan.

111. (C) As any pipeline constructed to transport right bank

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Amu Darya natural gas to China starting in 2009 would cross Uzbek territory, Uzbekistan's tacit agreement to the deal would be required. If Turkmenistan is committed to this deal with China, it may have to tolerate continued Uzbek depletion of Turkmenistan's border fields or else risk Uzbek interference in the transit of natural gas from Turkmenistan through Uzbekistan to China. While other fields and infrastructure can be developed by 2009, the state of Turkmenistan's Yashyldepe field raises questions about Turkmenistan's ability to supply China solely from the Amu Darya's right bank alone. In light of scarce data regarding Turkmenistan's Amu Darya right bank reserves, the Chinese may be interested in sourcing natural gas from the mammoth Dovletabad natural gas field. However, as Dovletabad is a main source of natural gas for the CAC pipeline network and the recent Gazprom deal (reftel D), Chinese demands on Dovletabad might conflict with Turkmenistan's supply guarantees to Gazprom. Embassy will continue to focus attention on Dovletabad and Amu Darya natural gas developments. End Comment.

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